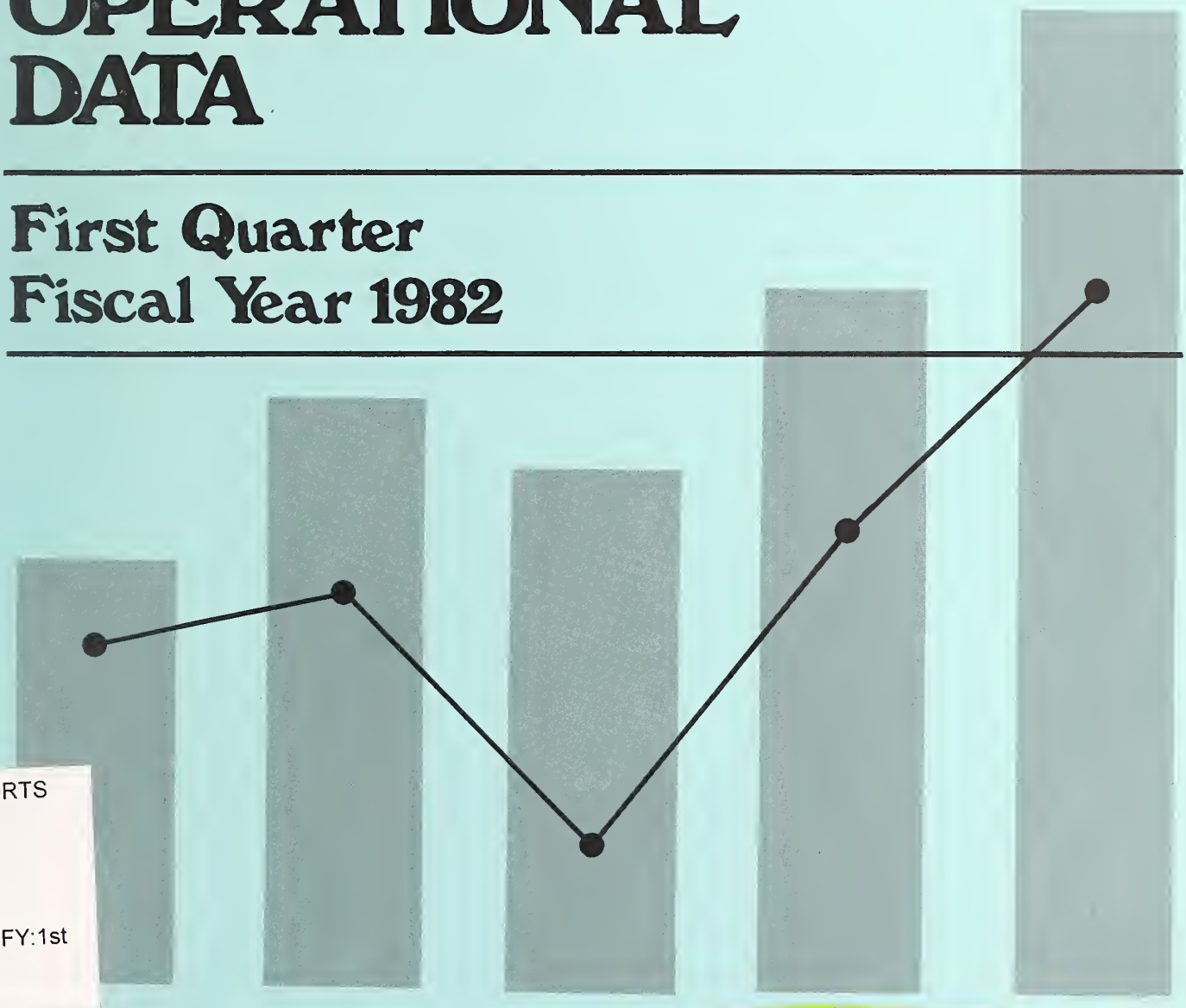
ANALYSIS OF MEDICAID OPERATIONAL DATA

First Quarter Fiscal Year 1982

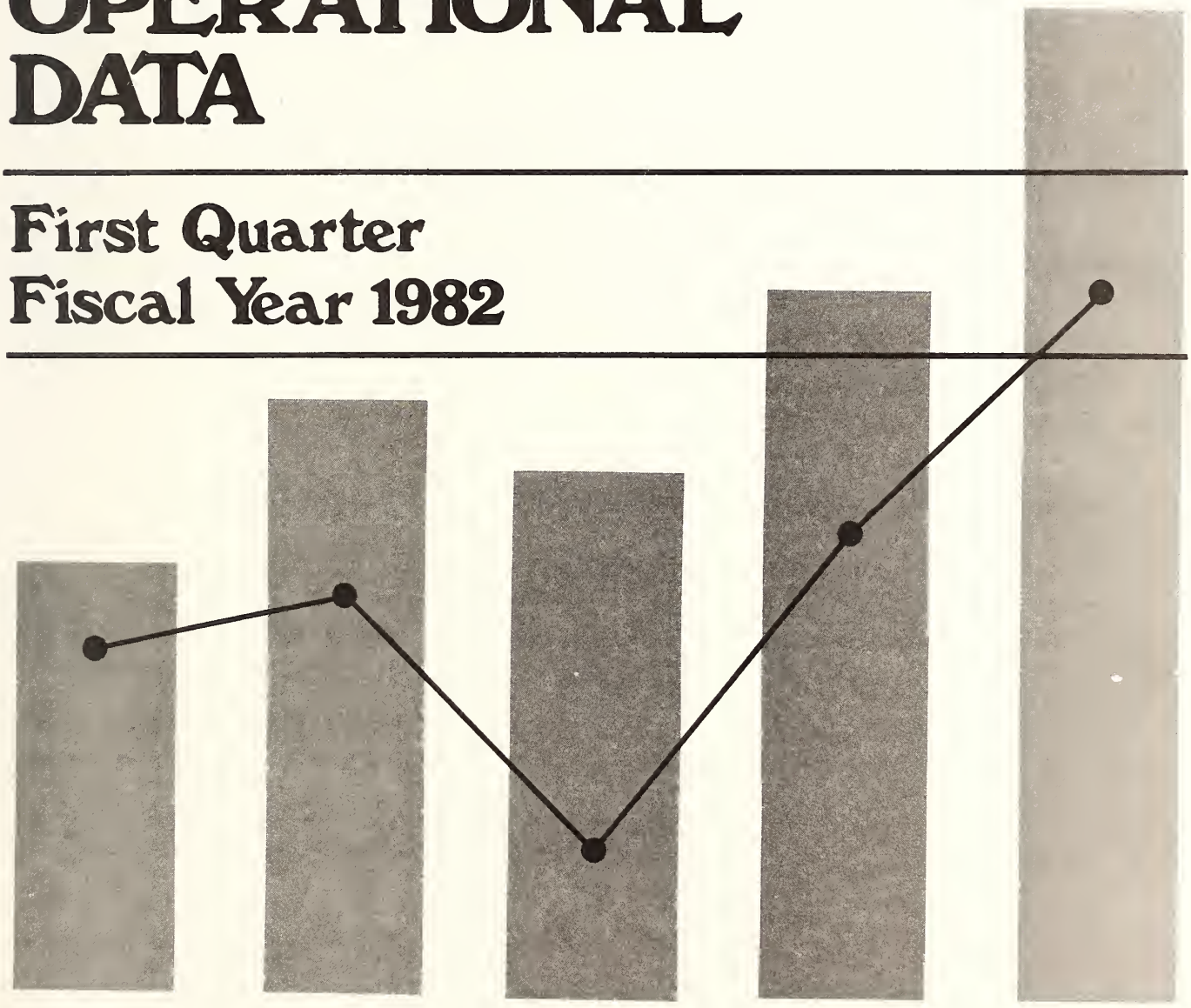


HEALTH CARE FINANCING ADMINISTRATION
BUREAU OF PROGRAM OPERATIONS
Office of Standards and Performance Evaluation

Summaries + analysis of HCFA-120s.

ANALYSIS OF MEDICAID OPERATIONAL DATA

First Quarter Fiscal Year 1982



HEALTH CARE FINANCING ADMINISTRATION
BUREAU OF PROGRAM OPERATIONS
Office of Standards and Performance Evaluation

INTRODUCTION

The Analysis of Medicaid Operational Data report is prepared by the Bureau of Program Operations' Division of Reports and Analysis and contains selected information primarily of an operational nature compiled from financial and statistical reports submitted by the States to HCFA. This report highlights significant aspects and trends within the Medicaid program and is intended to meet the ever changing informational needs of managers by presenting analyses of selected data in areas where management expresses an interest. Since Medicaid programs are heterogeneous in nature, care should be exercised when attempting to draw conclusions involving comparisons of different Medicaid programs.

This report is issued quarterly and displays data on a quarterly basis and/or on a cumulative fiscal year-to-date basis, i.e., the second, third, and fourth quarters' totals will be the sum of the preceding quarter(s) as well as the current quarter. It should be noted that the format as well as the content of the report may change from quarter to quarter since it is our intent to address current topics of interest in operational areas. For this reason, users are invited to recommend areas for future analytical focus. Recommendations should be directed to Mr. Charles Owen, Director, Division of Reports and Analysis, OSPE/BPO, Room 1445 Meadows East Building, 6325 Security Boulevard, Baltimore, Maryland 21207.

TABLE OF CONTENTS

HIGHLIGHTS

- For the first quarter FY 1982, 42 Medicaid jurisdictions reported an estimated 95.7 million claims approved for payment with an overall average processing time of 23.3 days.

- Of these 95.7 million claims approved for payment, 32.6 million or 35.3 percent were for required services.

- A statistically significant relationship exists between the type of entity responsible for the operation of a State's MMIS and its average claims processing time. If MMIS operations are performed by a fiscal agent, the average processing time is usually less than if the State had an in-house MMIS.

- Total Federal and State Medicaid expenditures in the United States for the first quarter FY 1982 were $7.4 billion, an 8.0 percent increase over the first quarter FY 1981.

    - Total Federal and State Medicaid Assistance Payments also rose 8.0 percent to $7.0 billion over the same period, whereas expenditures for Administration and Training increased 5.7 percent to $339 million.

    - The adjusted Federal share for Medicaid Assistance Payments was $3.9 billion, an increase of 7.3 percent over the corresponding period in the prior year. Similarly, the adjusted Federal share for Administration and Training increased 17.9 percent to $239 million.

    - Unadjusted total computable MMIS expenditures were $73.6 million and accounted for 21.7 percent of unadjusted total computable expenditures for Administration and Training.

- Claims for SNF services had the lowest overall average provider processing time (19.8 days from date of service to date received by State Agency), and claims for inpatient psychiatric facility services for individuals age 21 and under had the highest (96.3 days).

- For the 43 States reporting eligibility data, the average monthly number of eligibles was 13.1 million during the first quarter FY 1982. For the 49 States reporting recipient data, the average monthly number of recipients was 9.0 million. For reporting States the average ratio of recipients to eligibles was .54 and the average monthly number of claims processed per recipient was 3.5. A State's average monthly number of claims processed per recipient appears to be influenced by the number of optional services it offers as well as by its scope of services.

ANALYSIS OF MEDICAID CLAIMS WORKLOADS AND PROCESSING TIMES

Table I compares Medicaid claims volumes for the first quarters of FY 1981 and FY 1982. The data in Table I includes estimates for those States that reported data for one or more months of the quarter but did not report for all of the months examined. Note that the table does not include data for a few of the larger jurisdictions, e.g., New York, Indiana and Kentucky.

The table shows that for the October-December 1981 quarter an estimated 95.7 million claims were reported as being approved for payment by 42 Medicaid jurisdictions. This represents a 34.1 percent increase over the number of claims reported as being approved for payment by 33 Medicaid jurisdictions for the corresponding period in FY 1981. For the 31 States reporting claims workload data for both quarters, the number of claims decreased by 1.7 percent.

Table I also shows that reported claims volumes for 12 States increased during first quarter of FY 1982 as compared to first quarter of FY 1981, while 19 States showed a decrease. The State of Washington had the largest percent change in claims volume from the same quarter in the last fiscal year, i.e., a decrease of 27.7 percent. This can be attributed to the fact that the State eliminated their medically needy program starting July 1, 1981. North Dakota had the largest percent increase in claims volume, i.e., 17.2 percent.

Chart A graphically compares the percent distributions of claims workloads and unadjusted Federal shares for Medical Assistance Payments (MAP) for first quarter FY 1982. (Note that the claims workload data was reported by only 42 States, whereas the expenditure data was reported by all Medicaid jurisdictions.) Some striking disparities between the two distributions are seen for inpatient hospital services, long term care services, prescribed drugs and physician services. A substantial portion of the unadjusted Federal share for MAP was expended for inpatient hospital and long term care services (28.4 and 44.3 percent, respectively); however, claims for these services accounted for only .9 and 2.7 percent, respectively, of the claims workload. Conversely, prescribed drugs and physician services accounted for 37.6 and 19.3 percent, respectively, of the claims workload but only 5.5 and 7.1 percent, respectively, of the unadjusted Federal share of MAP expenditures.

TABLE I

COMPARISON OF NUMBERS OF MEDICAID CLAIMS APPROVED FOR PAYMENT FOR REPORTING STATES RANKED BY CLAIMS VOLUME

1981 VS. 1980

State	October-December 1981 No. of Claims		Rank	October-December 1980 No. of Claims		Rank	Percent Change From Oct.-Dec. 1980
All Reporting States	95,658,685	1/	N/A	71,325,258	2/	N/A	34.1 3/
California	23,502,023		1	23,545,829		1	-.2
Michigan	7,430,010		2	*		N/A	N/A
Illinois	6,145,317		3	*		N/A	N/A
Pennsylvania	5,491,906		4	*		N/A	N/A
Texas	4,966,457		5	4,647,947		2	6.9
Ohio	4,319,752		6	4,173,649		3	3.5
New Jersey	3,714,361		7	3,759,389		4	-1.2
Wisconsin	3,713,190		8	3,572,801		5	3.9
Florida	3,085,454		9	3,230,867		6	-4.5
Georgia	2,881,171		10	2,765,255		7	4.2
Minnesota	2,457,236		11	*		N/A	N/A
Louisiana	2,438,976		12	2,684,890		9	-9.2
Tennessee	2,309,713		13	2,757,140		8	-16.2
North Carolina	2,211,096		14	2,019,355		11	9.5
Missouri	2,205,831	E	15	2,328,319		10	-5.3
Virginia	1,930,053		16	1,916,446		13	.7
Alabama	1,674,348		17	1,798,745		14	-6.9
Mississippi	1,387,812		18	1,593,789		15	-12.9
Washington	1,386,518		19	1,916,760		12	-27.7
Maryland	1,312,975		20	*		N/A	N/A
Iowa	1,071,813	E	21	1,088,359		17	-1.5
Arkansas	1,053,693		22	1,242,079		16	-15.2
Kansas	996,709		23	971,373		18	2.6
Hawaii	959,067		24	892,744		19	7.4
West Virginia	805,491		25	*		N/A	N/A
South Carolina	768,489		26	*		N/A	N/A
Maine	761,194		27	*		N/A	N/A
Colorado	679,074		28	613,896		21	10.6
Puerto Rico	608,811		29	704,092		20	-13.5
Oklahoma	527,159		30	*		N/A	N/A
Washington D.C.	509,785		31	*		N/A	N/A
New Mexico	445,180		32	450,646		22	-1.2
Nebraska	402,502		33	394,175		23	2.1
Utah	282,042		34	353,770		24	-20.3
North Dakota	217,250		35	185,445		31	17.2
New Hampshire	215,394	E	36	217,153		28	-.8
Idaho	204,722		37	229,316		27	-10.7
South Dakota	193,760		38	207,480	E	30	-6.6
Nevada	185,055		39	209,567		29	-11.7
Delaware	169,980		40	166,878		32	1.9
Massachusetts	30,141		41	*		N/A	N/A
Virgin Islands	7,175		42	8,160		33	-12.1
Vermont	*		N/A	347,198	E	25	N/A
Montana	*		N/A	331,746	E	26	N/A

1/ Includes data from the 42 States listed. Claims volumes for Iowa, Missouri and New Hampshire were estimated (E) based on incomplete reported data. See Technical Note I for estimation technique.

2/ Includes data from the 33 States listed. Claims volumes for Montana, South Dakota and Vermont were estimated based on incomplete reported data. See Technical Note I for estimation technique.

3/ Represents percent change in the number of all reported claims and does not take into account the fact that 33 States reported data for October-December 1980, but 42 States reported data for October-December 1981.

N/A Not applicable.

* Did not report data.

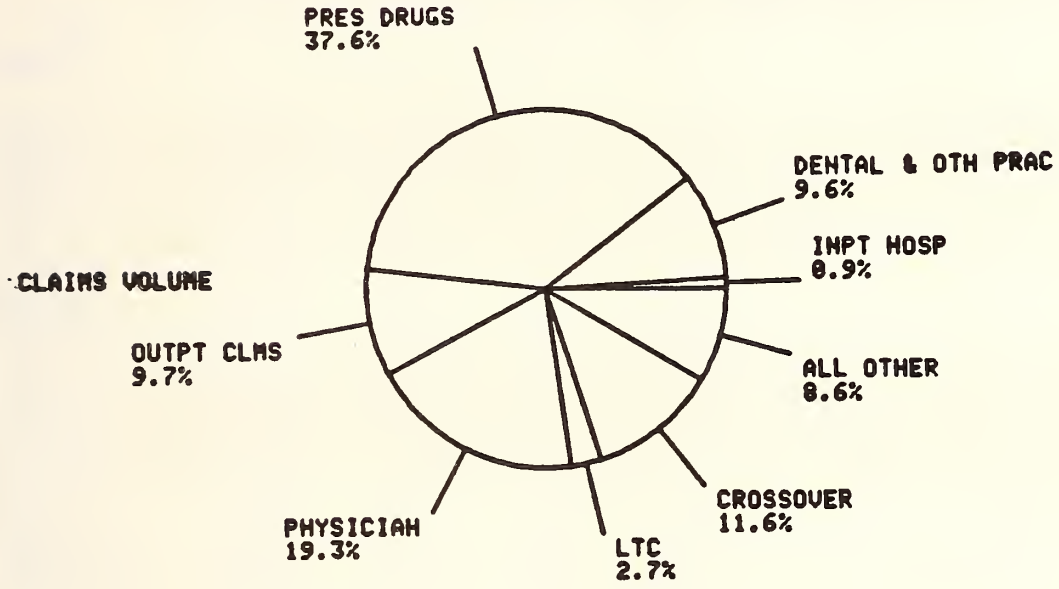
E Estimated data. See Technical Note I.

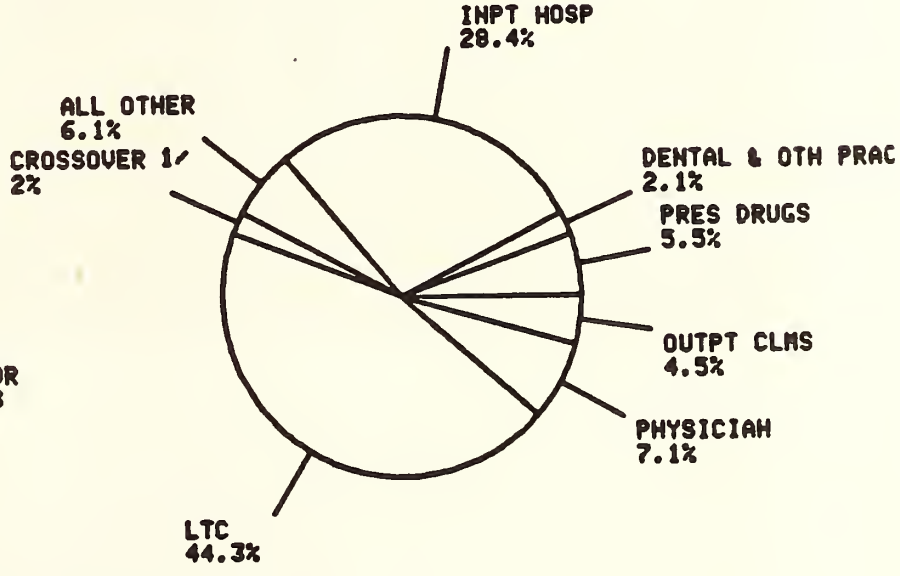
Source: HCFA-120

CHART A

PERCENT DISTRIBUTION OF MEDICAID CLAIMS AND MEDICAL ASSISTANCE PAYMENTS BY TYPE OF SERVICE

OCT-DEC 1981





UNADJUSTED FEDERAL SHARE FOR MEDICAL ASSISTANCE PAYMENTS

1/ IN ADDITION TO DEDUCTABLE AND COINSURANCE PAYMENTS, THE CROSSOVER FIGURE INCLUDES SMIB PREMIUMS, INSURANCE PAYMENTS TO HMO'S, PROVISIONAL HMO'S AND PREPAID HEALTH PLANS.

SOURCE: HCFA-120

Table 2 shows that for those States that reported claims workload data for the October-December 1981 quarter 35.3 percent of all claims approved for payment were for required services. As is consistent with the prior two quarters, the required services which accounted for the greatest overall percent of claims were physician and outpatient hospital claims, (54.3 and 27.4 percent, respectively), and those which accounted for the smallest overall percent were rural health clinic and home health service claims (0.1 and 0.7 percent, respectively).

All of Puerto Rico's claims were for hospital services as almost all services are provided through Public Health Service hospitals. Consequently, 100 percent of Puerto Rico's claims were reported as being for required services. Except for Puerto Rico, the District of Columbia had the highest percent of its total Medicaid claims for required services (54.4), whereas Colorado had the lowest (18.1).

Excluding Puerto Rico, the percent distributions by required types of services ranged by State as follows: inpatient hospital 1.3 to 6.2, outpatient hospital 3.4 to 87.9, rural health clinic 0.0 to 2.9, lab and X-ray 0.2 to 22.9, SNF 0.0 to 10.9, home health 0.0 to 4.9, EPSDT 0.0 to 11.9, family planning 0.0 to 9.2 and physician 1.5 to 74.1.

Table 3 focuses on the average claims processing times of MMIS States employing a fiscal agent vis-à-vis the average processing times of States with in-house MMISs. 1/ The table suggests that, in general, States employing fiscal agents to process all types of claims through an MMIS do so more quickly than States with in-house MMISs. Using the following dummy variables, a coefficient of linear correlation was calculated to measure the strength of this relationship. (See Technical Note 2.) Allowing $x = 0$ for fiscal agent States, $x = 1$ for in-house States and y = average claims processing times for the 28 States in Table 3 yields a coefficient of $r = .45$. Thus, the conclusion is reached that for the October-December 1981 quarter a moderate linear correlation exists between the type of entity responsible for the operation of a State's MMIS and its average claims processing time.

1/ Note that 9 out of the 10 top States with respect to lowest average claims processing time appear in this table. New Jersey ranked eighth in overall processing time and was not included in the table as its fiscal agent does not process all types of claims. Certain claim types are processed by New Jersey's Division of Medical Assistance and Health Services.

TABLE 2

REPORTING STATES RANKED BY CLAIMS VOLUME FOR REQUIRED SERVICES
WITH PERCENT DISTRIBUTION BY TYPE OF REQUIRED SERVICE 1/

October - December 1981

State	Number of Claims for Required Services Approved for Payment 2/	Percent of All Medicaid Claims	Percent Distribution by Required Types of Service								
			Inpatient Hospital	Outpatient Hospital	Rural Health Clinic	Lab and X-ray	SNF	Home Health	Early and Periodic Screening	Family Planning	Physician
All Reporting States	32,623,102	35.3	2.3	27.4	0.1	8.1	2.5	0.7	1.8	2.8	54.3
California	8,909,125	38.0	1.7	38.2	*	8.0	2.4	0.2	1.1	1.0	47.3
Michigan	3,821,386	51.2	1.3	28.1	0.0	15.5	0.8	0.2	0.7	5.2	56.2
Illinois	2,152,695	35.0	2.9	13.8	0.0	16.3	2.2	0.4	0.0	0.0	64.3
Pennsylvania	1,989,041	36.2	2.3	39.0	*	10.7	3.7	2.2	2.4	8.6	31.2
Ohio	1,718,737	39.8	2.2	31.2	0.0	2.0	3.6	0.2	3.7	1.7	55.1
Texas	1,553,182	31.3	4.0	15.7	*	1.9	1.5	0.9	0.8	1.7	73.5
New Jersey	1,277,756	34.4	2.3	13.1	0.0	13.1	0.3	0.8	0.9	1.2	68.3
Florida	1,060,468	34.4	2.3	18.1	0.1	1.3	1.8	1.0	1.8	0.6	72.7
Wisconsin	768,806	20.7	2.5	24.9	0.1	2.0	9.5	2.9	3.4	9.2	45.6
North Carolina	716,376	32.4	2.8	31.1	1.0	6.7	2.6	0.8	2.6	1.1	51.3
Minnesota	714,174	29.1	2.1	19.2	0.0	0.6	8.1	2.0	0.8	4.2	63.0
Louisiana	679,241	27.8	3.0	16.4	0.0	2.4	0.3	1.0	1.4	7.2	68.3
Georgia	675,958	23.5	3.2	12.8	0.2	1.8	4.3	1.4	2.5	3.0	70.9
Tennessee	659,606	28.6	2.6	21.1	0.0	14.6	0.5	1.0	11.9	2.6	45.7
Puerto Rico	608,811	100.0	2.0	98.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Virginia	602,579	31.2	3.3	12.2	*	2.5	0.3	0.6	2.7	4.3	74.0
Washington	531,569	38.3	2.2	18.4	0.1	8.9	8.9	1.8	4.6	2.6	52.4
Missouri 3/	443,317	30.1	2.7	39.0	0.0	3.9	0.1	1.4	1.1	6.5	45.2
Alabama	440,248	26.3	2.6	15.5	0.2	12.7	2.8	0.7	1.9	6.5	57.1
Hawaii	435,958	45.5	1.4	10.0	2.2	7.8	2.0	0.1	1.4	0.9	74.1
Mississippi	355,549	25.6	6.1	13.3	0.8	3.0	4.6	0.4	8.8	2.3	60.7
Kansas	299,333	30.0	2.6	20.1	*	5.3	0.3	1.4	1.7	4.7	63.9
District of Columbia	277,342	54.4	2.0	36.8	0.0	7.8	0.0	0.9	0.0	0.0	53.5
Maine	259,707	34.1	2.3	31.6	1.5	0.2	0.4	1.6	0.0	3.3	59.1
South Carolina	238,203	31.0	4.1	23.3	0.0	1.8	10.5	0.7	3.2	0.0	56.2
Iowa 3/	220,098	30.8	2.7	14.6	0.1	1.7	0.1	1.2	3.4	5.5	70.6
Arkansas	206,844	19.6	3.9	16.2	0.0	7.1	5.6	0.3	1.2	4.8	60.6
New Mexico	180,646	40.6	2.6	24.1	1.7	2.9	0.2	2.3	1.2	2.8	62.5
Oklahoma	151,211	28.7	5.7	3.4	0.0	22.9	0.0	*	2.4	3.0	62.6
Colorado	122,906	18.1	5.2	30.2	0.0	4.2	8.0	1.2	8.4	5.8	37.1
Utah	97,771	34.7	2.3	22.8	0.3	14.3	1.5	0.5	1.5	4.5	52.3
Delaware	77,412	45.5	3.4	20.0	0.0	3.7	0.1	0.9	1.1	5.4	65.3
Nebraska	76,642	19.0	6.2	19.2	0.0	6.4	2.1	2.7	4.1	4.5	54.7
Idaho	71,752	35.0	2.2	20.2	0.2	18.6	3.3	2.2	7.1	3.0	43.1
South Dakota	64,375	33.2	2.9	13.5	2.9	2.8	1.0	4.9	1.5	2.3	69.0
Nevada	63,954	34.6	3.1	24.6	*	5.4	0.5	1.9	2.2	4.0	56.4
North Dakota	58,764	27.1	4.9	9.6	0.0	2.6	10.9	2.0	0.0	*	70.0
New Hampshire 4/	24,427	34.0	3.6	20.5	0.1	6.5	0.2	2.7	6.5	4.5	55.4
Massachusetts 5/	13,257	44.0	4.4	20.7	0.0	15.7	1.5	2.5	0.0	0.0	55.1
Virgin Islands	3,549	49.5	4.9	87.9	0.0	0.5	0.0	0.0	3.7	1.5	1.5

1/ Optional services may be included in the figures.
2/ Crossover claims are not included.
3/ Submitted data for only two months.
4/ Submitted data for only one month.
5/ Data for Massachusetts Commission for the Blind only.
* Percentage less than 0.05.

Source: HCFA-120

TABLE 3

COMPARISON OF AVERAGE PROCESSING TIMES BETWEEN MMIS STATES EMPLOYING A FISCAL AGENT AND STATES WITH IN-HOUSE MMISs 1/

October - December 1981

Fiscal Agent Operates MMIS			In-house MMIS		
State	Average Processing Time 2/	Rank 3/	State	Average Processing Time 2/	Rank 3/
Virginia	3.9	1	Maine	7.8	7
Alabama	4.5	2	South Carolina	13.4	21
Missouri	6.1 4/	3	Nebraska	14.0	22
Arkansas	6.2	4	Georgia	14.7	24
Kansas	6.8	4.5	Michigan	16.5	26.5
Tennessee	6.8	4.5	New Hampshire	19.4 5/	30.5
Wisconsin	8.1	9	Minnesota	21.0	34
Washington	10.1	10	Virgin Islands	21.3	35
Colorado	11.2	12	Oklahoma	25.7	37
New Mexico	11.6	14	Ohio	41.1	38
Florida	12.2	16	North Dakota	90.4	40
Idaho	13.3	20			
Mississippi	14.1	23			
Iowa	15.0 4/	25			
North Carolina	17.7	29			
Hawaii	19.4	30.5			
Louisiana	22.8	36			

1/ Comparison includes only those States where all types of claims are processed either in-house or by the fiscal agent.
2/ Average days from receipt to adjudication for all claims.
3/ Refers to standing with respect to all of the 44 States that submitted processing time data for October-December 1981.
4/ Submitted data for only two months.
5/ Submitted data for only one month.

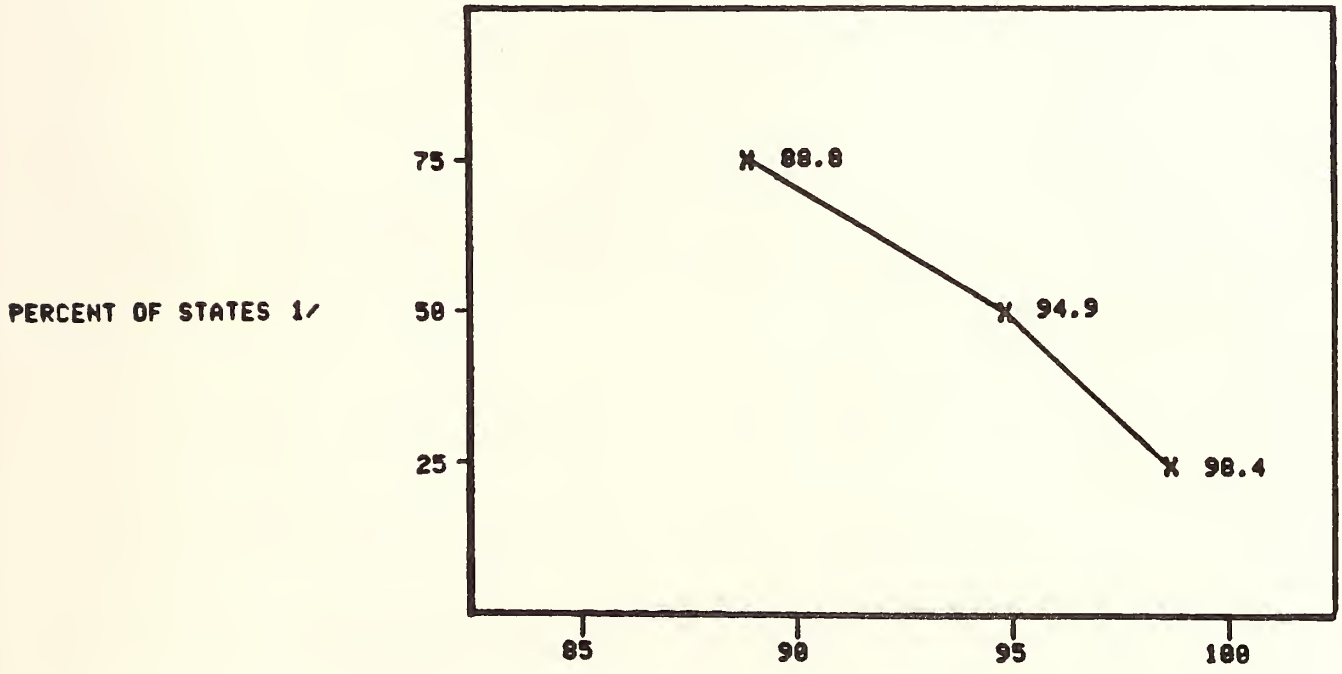
Source: HCFA-120, data from HCFA's Office of Methods and Systems and data from HCFA's Office of Program Administration.

Chart B shows percents of claims requiring 30 or fewer days to process for selected cumulative percents of States. It shows that in 30 days or less 75 percent of the reporting States processed 88.8 percent or more of their claims, 50 percent processed 94.9 percent or more of their claims and 25 percent processed 98.4 percent or more.

CHART B

PERCENT OF CLAIMS REQUIRING 30 OR FEWER DAYS TO PROCESS
FOR SELECTED CUMULATIVE PERCENTS OF STATES

OCT-DEC 1981



1/ REPRESENTS THE PERCENT OF STATES EQUALING OR EXCEEDING THE VALUE SHOWN FOR THE TIMELINESS INDICATOR

SOURCE: HCFA-120

ANALYSIS OF MEDICAID EXPENDITURES

Table 4 shows that for the October-December 1981 quarter, total unadjusted expenditures computable for Federal funding were $7.4 billion, an 8.0 percent increase over the corresponding quarter in 1980. Over this same period, Federally matchable expenditures for Administration and Training (A&T) increased at a slightly lower rate--5.7 percent--than did Medical Assistance Payments (MAP)--8.0 percent.

TABLE 4

NATIONAL FINANCIAL DATA

October - December 1981

(Dollars in Thousands)

	Total	Percent Change 1/	Medical Asst. Payments	Percent Change 1/	Admin. and Training	Percent Change 1/
Unadjusted Expenditures Computable for Federal Funding	$ 7,368,356	8.0%	$ 7,029,210	8.0%	$339,146	5.7%
Unadjusted Federal Share	4,078,683	7.7	3,877,203	7.6	201,480	9.5
Adjusted Federal Share	4,138,674	7.8	3,899,249	7.3	239,425	17.9

1/ Percent change from comparable period last fiscal year.

Source: Preliminary expenditure data from the HCFA Office of Program Administration

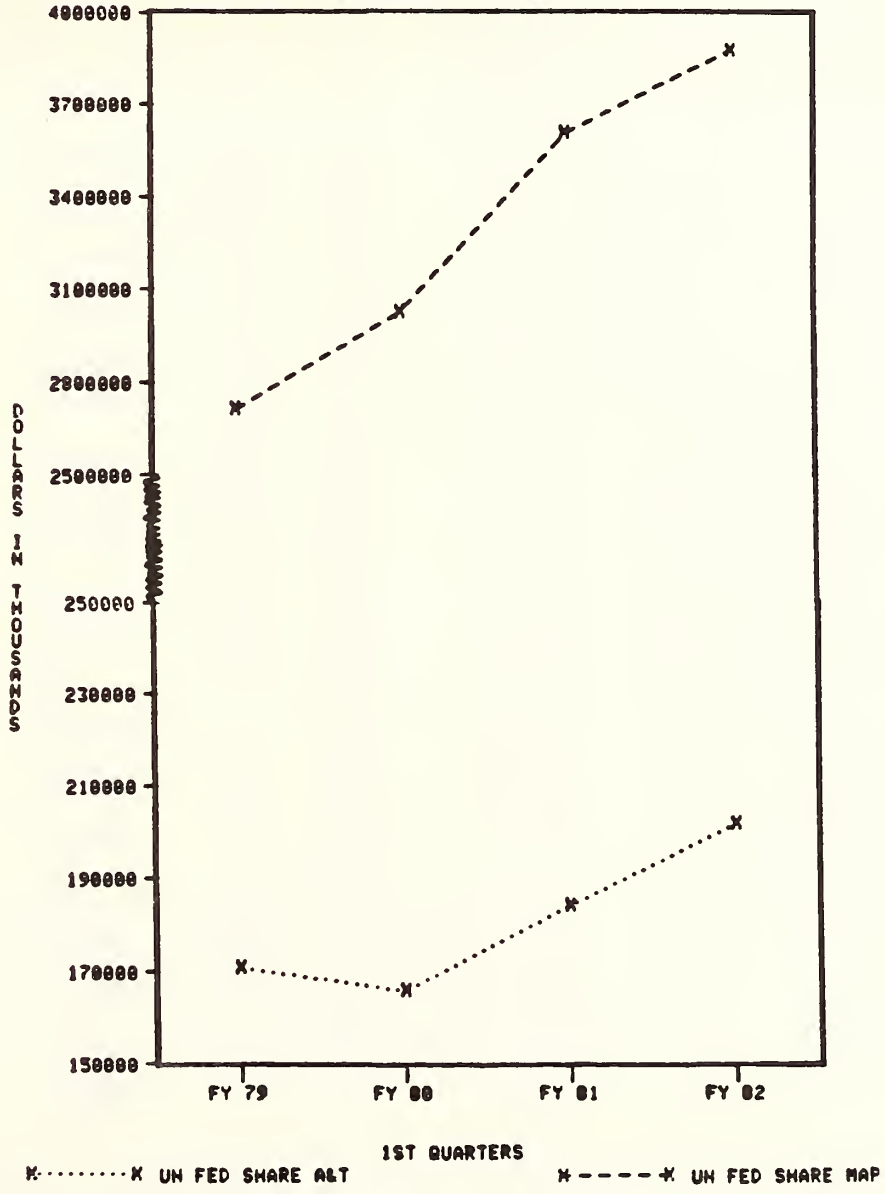
Chart C presents graphic information on the trends in first quarter fiscal year Federal share expenditures from FY 1979 through FY 1982. First quarter Federal share MAP rose steadily from year to year (both adjusted and unadjusted figures).

This was not the case, however, for A&T first quarter expenditures. The unadjusted figures dropped from $170,574,234 for first quarter FY 1979 to $165,646,757 for first quarter FY 1980. Similarly, the adjusted figures dropped from $167,314,837 for first quarter FY 1979 to $161,776,100 for first quarter FY 1980. Since expenditure reporting instructions remained unchanged between these two time periods, the explanation for these large decreases lies in the State specific data. Several of the larger States reported decreased A&T expenditures for first quarter FY 1980 as compared to first quarter FY 1979. For example, for unadjusted A&T first quarter outlays, Michigan decreased $2,623,820, New York dropped $1,948,582 and Illinois' expenditures diminished by $581,241 in FY 1980 vis-à-vis FY 1979.

CHART C

TRENDS IN FEDERAL SHARE EXPENDITURES

1ST QUARTER FY 79-82



Source: Preliminary expenditure data from the HCFA Office of Program Administration

Table 5 shows the unadjusted total computable MMIS expenditures to have been $74 million or 21.7 percent of the unadjusted total computable A&T expenditures for the first quarter of FY 1982. Comparatively, the total unadjusted Federal share of MMIS expenditures were $57 million or 28.4 percent of the total unadjusted Federal share of A&T. Of the total unadjusted Federal share of MMIS expenditures, $11 million (19.1 percent) was for the design, development or installation of MMISs in 19 States, and $46 million (80.9 percent) was for ongoing MMIS operating expenses in 35 States. As was the case in FY 1981, Tennessee was the only State claiming over half of its unadjusted total computable expenditures as MMIS outlays (51.5 percent) during the first quarter of FY 1982. However, 3 States claimed over 50 percent of their unadjusted Federal shares as MMIS expenditures, i.e., New Jersey (51.8 percent), Colorado (55.4 percent) and Tennessee (60.3 percent).

TABLE 5

SELECTED DATA FOR ALL STATES BASED
ON TOTAL UNADJUSTED COMPUTABLE EXPENDITURES
FOR ADMINISTRATION AND TRAINING

October - December 1981

State	Unadjusted Total Computable Expenditures: Administration and Training	Unadjusted Total Computable Expenditures: MMIS	Unadjusted Total Computable Expenditures: % MMIS A+T	Unadjusted Federal Share: Administration and Training	Unadjusted Federal Share: MMIS Expenditures: Total	Unadjusted Federal Share: MMIS Expenditures: 90% FFP	Unadjusted Federal Share: MMIS Expenditures: 75% FFP	Unadjusted Federal Share: % Total MMIS A+T
United States 1/	$339,145,771	$73,569,744	21.7%	$200,995,274	$56,993,810	$10,899,014	$46,094,796	28.4%
New York	70,367,403	18,414,947	26.2	42,090,725	14,921,014	6,658,824	8,262,190	35.4
California	45,894,351	5,957,162	13.0	25,846,558	4,640,259	1,034,324	3,605,935	18.0
Texas	20,618,331	3,104,809	15.1	12,799,316	2,328,607	0	2,328,607	18.2
Pennsylvania	17,900,823	5,520,295	30.8	10,862,556	4,184,516	265,770	3,918,746	38.5
Illinois	14,325,251	401,243	2.8	7,547,770	361,119	361,119	0	4.8
Michigan	14,155,673	3,841,765	27.1	8,499,786	2,890,512	55,130	2,835,382	34.0
Ohio	10,045,596	1,592,149	15.8	5,543,023	1,194,112	0	1,194,112	21.5
Massachusetts	8,154,766	296,654	3.6	4,405,983	266,989	266,989	0	6.1
Florida	8,062,322	2,759,968	34.2	5,163,624	2,069,976	0	2,069,976	40.9
Oklahoma	7,854,468	1,318,549	17.8	4,616,622	988,912	0	988,912	21.4
New Jersey	7,405,586	3,606,117	48.7	5,225,072	2,704,588	0	2,704,588	51.8
North Carolina	7,116,180	2,132,851	30.0	4,117,252	1,599,638	0	1,599,638	38.9
Minnesota	6,721,809	1,195,256	17.8	3,814,979	896,442	0	896,442	23.5
Wisconsin	5,826,376	2,286,067	39.2	3,653,833	1,714,550	0	1,714,550	46.9
Washington	5,790,568	1,411,072	24.4	3,512,314	1,058,304	0	1,058,304	30.1
Oregon	5,453,913	338,914	6.2	3,284,990	305,023	305,023	0	9.3
Kentucky	5,157,658	1,260,277	24.4	3,272,088	1,134,249	1,134,249	0	34.7
Indiana	5,139,394	1,500,096	29.2	2,944,721	1,125,072	0	1,125,072	38.2
Virginia	4,937,755	1,820,564	36.9	3,055,563	1,365,999	3,454	1,362,545	44.7
Louisiana	4,872,742	0	N/A	2,630,024	0	0	0	N/A
Connectiut	4,754,512	218,490	4.6	2,594,181	196,641	196,641	0	7.6
Maryland	4,604,107	0	N/A	2,624,358	0	0	0	N/A
Georgia	4,522,456	365,843	8.1	3,063,453	274,382	0	274,382	9.0
Tennessee	3,727,009	1,918,760	51.5	2,384,759	1,439,070	0	1,439,070	60.3
Iowa	3,251,594	642,412	19.6	1,815,439	481,809	0	481,809	26.5
Missouri	3,249,322	928,337	28.6	1,922,416	696,253	0	696,253	36.2
Colorado	2,883,533	1,412,299	49.0	1,913,605	1,059,224	0	1,059,224	55.4
South Carolina	2,854,930	689,459	24.1	1,707,895	531,505	86,465	445,040	31.1
Alabama	2,657,553	991,963	37.3	1,863,611	758,112	84,837	673,275	40.7
District of Columbia	2,191,403	6,161	0.3	1,173,365	5,545	5,545	0	0.5
Nebraska	2,009,820	534,025	26.6	1,197,062	400,519	0	400,519	33.5
West Virginia	2,005,738	320,297	16.0	1,268,786	247,997	46,647	201,350	19.5
Arkansas	1,975,649	379,612	19.2	1,153,382	284,709	0	284,709	24.7
Maine	1,950,040	526,895	27.0	1,182,525	395,171	0	395,171	33.4
Kansas	1,905,071	301,347	15.8	1,100,965	226,010	0	226,010	20.5
Mississippi	1,871,239	700,844	37.5	1,213,096	546,018	122,312	423,706	45.0
Rhode Island	1,806,178	0	N/A	1,077,064	0	0	0	N/A
Utah	1,588,835	437,455	27.5	1,024,933	328,157	393	327,764	32.0
Puerta Rica	1,502,090	0	N/A	624,864	0	0	0	N/A
New Mexico	1,461,423	379,055	25.9	865,821	284,291	0	284,291	32.8
Montana	1,347,971	0	N/A	771,168	0	0	0	N/A
Vermont	1,344,128	428,048	31.8	883,918	357,423	218,320	139,103	40.3
Nevada	1,264,492	0	N/A	675,810	0	0	0	N/A
New Hampshire	1,204,833	378,403	31.4	746,438	283,802	0	283,802	38.0
North Dakota	1,186,464	179,000	15.1	704,299	134,250	0	134,250	19.1
Hawaii	1,149,951	385,613	33.5	726,906	289,210	0	289,210	39.8
Idaho	911,592	187,546	20.6	591,153	147,201	39,251	107,950	24.9
South Dakota	654,359	15,179	2.8	369,124	13,661	13,661	0	3.7
Delaware	606,695	0	N/A	365,702	0	0	0	N/A
Alaska	468,062	0	N/A	264,015	0	0	0	N/A
Wyoming	221,553	0	N/A	118,221	0	0	0	N/A
Virgin Islands	121,671	0	N/A	71,302	0	0	0	N/A
Guam	68,057	0	N/A	36,369	0	0	0	N/A
N. Mariana Islands	19,976	0	N/A	12,474	0	0	0	N/A

1/ Numbers may not add to totals due to rounding.
N/A Not applicable.

Source: Preliminary expenditure data from the HCFA Office of Program Administration

ANALYSIS OF PROVIDER CLAIMS PROCESSING TIMES AND FILING RATES

Table 6 focuses on provider processing times (average number of days from date of service to date of receipt) for all types of claims for the 40 States that reported these data. Claims for SNF services had the lowest average provider processing time (19.8 days). This may possibly be explained by the fact that many SNFs use turnaround documents rather than individual billings. Claims for inpatient psychiatric facility services for individuals age 21 and under had the highest average provider processing time (96.3 days). This type of claim, however, accounted for only .02 percent of all reported claims for this quarter. The average provider processing time for all claims was 37.0 days.

TABLE 6

PROVIDER PROCESSING TIMES FOR ALL TYPES OF CLAIMS 1/

October - December 1981

Type of Claim	Provider Processing Time	Type of Claim	Provider Processing Time
All Claims	37.0	Outpatient Hospital Services	46.2
Inpatient Hospital Services	51.9	Clinic Services	55.9
Mental Health Services for the Aged	68.5	Home Health Services	53.4
SNF/ICF Mental Health Services for the Aged	20.0	Family Planning Services	36.2
Inpatient Psychiatric Facility Services for Individuals Age 21 and Under	96.3	Lab and X-Ray Services	37.4
ICF Services for the Mentally Retarded	39.5	Prescribed Drugs	21.0
ICF Services -- All Other	26.0	Early and Periodic Screening	42.7
SNF Services	19.8	Rural Health Clinic Services	38.5
Physician Services	37.8	Sterilization Services	74.6
Dental Services	45.4	Other Care	40.3
Other Practitioner Services	32.3	Part A Crossover Claims	72.5
		Part B Crossover Claims	71.1

1/ Includes data for all reporting States.

Source: HCFA-120

Table 7 presents a State-by-State look at provider processing times for selected claim types. Provider processing times ranged by State as follows: inpatient hospital claims--21.7 days in Illinois to 114.6 days in the Virgin Islands, SNF claims--1.0 day in Arkansas to 71.1 days in Texas, physician claims--20.1 days in Mississippi to 81.3 days in Oklahoma, prescribed drug claims--10.7 days in New Jersey to 111.2 days in North Dakota and Part B crossover claims--39.6 days in Mississippi to 242.0 days in the Virgin Islands. Although no one State had the lowest provider processing times in all of the selected categories, there were several States (i.e., Colorado, Georgia, Kansas and Mississippi) where the provider processing times were fairly low in relation to the overall averages.

To better determine the distribution of data shown in Table 7, percents of States with average provider processing times falling within 10 days on either side of the average were calculated. For inpatient hospital claims, 52.5 percent of the reporting States had averages falling within this timeframe. Similarly, this percentage was 55.5 for SNF claims, 47.5 percent for physician claims, 85.0 percent for prescribed drug claims, and 30.0 percent for Part B crossover claims.

The wider variance for crossover claims is probably due to the variation among States in the ways these claims are submitted for Medicaid payment. For example, four of the five States (i.e., Colorado, Mississippi, New Jersey and Oklahoma) that had the same contractor for processing Medicare and Medicaid claims during this quarter equalled or had lower provider processing times for crossover claims than the average for all reporting States.

Table 8 provides data on eligibles, recipients and selected claims workload information. The table shows that the ratio of recipients to eligibles was lowest for Wyoming, .15, and highest for Oregon, .80, with the overall ratio for all reporting States being .54.

The average monthly number of claims processed per recipient ranged from 1.3 in Puerto Rico to 6.9 in Hawaii. These figures appear to be at least partially influenced by the average monthly numbers of prescribed drug and physician claims processed per recipient. For example, in Puerto Rico the average monthly numbers of prescribed drug and physician claims processed per recipient were both zero 1/; however, Hawaii was exceptionally high in these measures. Hawaii's average monthly number of prescribed drug claims processed per recipient was over twice the average for all reporting States. Hawaii's comparable measure for physician claims was over three times the overall average. The Virgin Islands had the second lowest average monthly number of claims processed per recipient (1.6)1/ and the lowest average monthly numbers of prescribed drug and physician claims processed per recipient (0.3 and 0.005, respectively).

A State's average monthly number of claims processed per recipient appears also to be influenced by the number of optional services it offers as well as by its scope of services. Those Medicaid jurisdictions with fewer optional services and more stringent limits on services generally process fewer claims per recipient during a month (e.g., South Carolina, Oklahoma and Delaware).

1/ In Puerto Rico and the Virgin Islands the vast majority of services are provided through Public Health Service facilities. Consequently, several types of services may appear on one claim, thereby reducing the total number of claims reported. In Puerto Rico all claims were reported as being either inpatient or outpatient claims.

TABLE 7

PROVIDER PROCESSING TIMES 1/ FOR SELECTED TYPES OF CLAIMS

October - December 1981

State	Inpatient Hospitol Cloims	SNF Claims	Physician Claims	Prescribed Drug Claims	Part B Crossover Claims
All Reporting States	51.9	19.8	37.8	21.0	71.1
Alabama	52.7	14.6	32.7	16.7	64.7
Arkansas	51.6	1.0	54.7	17.0	50.6
California	65.7	13.8	35.6	19.4	68.2
Colorado	45.6	11.0	26.3	17.4	59.3
Delaware	49.4	20.8	23.2	15.0	90.5
District of Columbia	39.8	0.0	27.0	18.6	109.9
Florida	40.6	10.1	45.6	26.1	94.1
Georgia	50.9	10.7	35.6	18.9	70.3
Hawaii	58.5	13.7	27.2	13.1	73.1
Idaho	46.4	14.6	49.7	23.0	97.7
Illinois	21.7	37.0	26.4	21.6	0.0
Iowa 2/	48.2	31.4	53.4	26.1	87.9
Kansas	40.9	16.3	27.8	19.0	51.1
Louisiana	70.8	29.0	52.8	18.3	98.1
Maine	49.7	44.0	35.3	15.7	56.3
Massachusetts 3/	84.1	40.1	59.2	33.1	0.0
Michigan	41.8	39.1	35.3	15.3	97.8
Minnesota	54.6	24.2	49.8	23.4	82.0
Mississippi	42.4	13.0	20.1	13.0	39.6
Missouri 2/	76.5	25.2	51.5	20.4	63.5
Nebraska	46.4	10.9	44.3	16.1	77.5
Nevada	76.2	43.6	64.8	25.8	108.6
New Hampshire 4/	67.3	37.3	78.3	26.2	0.0
New Jersey	40.2	15.0	21.5	10.7	71.1
New Mexico	53.4	25.9	43.6	27.1	79.0
North Carolina	62.8	12.3	41.8	20.3	95.5
North Dakota	74.5	12.4	77.5	111.2	108.3
Ohio	70.6	1.4	66.4	27.4	90.3
Oklahoma	83.1	0.0	81.3	36.6	48.4
Pennsylvania	48.9	26.8	45.3	30.1	142.7
Puerto Rico	63.4	0.0	0.0	0.0	0.0
South Carolina	53.4	42.5	39.3	26.5	0.0
South Dakota	45.1	16.8	69.9	19.7	144.5
Tennessee	54.4	36.5	33.3	18.8	81.1
Texas	42.3	71.1	28.1	18.8	65.0
Utah	51.1	14.0	40.7	19.3	93.0
Virgin Islands	114.6	0.0	30.6	36.8	242.0
Virginia	52.5	30.2	33.1	19.3	68.0
Washington	39.5	11.9	47.5	20.0	51.7
Wisconsin	46.1	19.3	42.3	31.1	78.1

1/ Average days from date of service to date of receipt
2/ Submitted data for only two months.
3/ Data for Massachusetts Commission for the Blind only.
4/ Submitted data for only one month.

Source: HCFA-120

TABLE 8

MEDICAID ELIGIBLES, RECIPIENTS AND SELECTED CLAIMS WORKLOAD DATA

October - December 1981

State	Average Monthly Number of Eligibles	Average Month Number of Recipients	Ratio of Recipients to Eligibles	Average Monthly Number of Claims Processed Per Recipient	Average Monthly Number of Prescribed Drug Claims Processed Per Recipient	Average Monthly Number of Physician Claims Processed Per Recipient
All Reporting States	12,132,101	9,036,298	.54 1/	3.5 2/	1.3	0.7
California	2,607,953	1,508,152	.58	5.2	1.3	0.9
New York	*	1,113,505		*	*	*
Michigan	*	480,226		5.2	1.7	1.5
Illinois	937,932	472,486	.50	4.3	1.8	1.0
Pennsylvania	892,712	462,220	.52	4.0	1.7	0.5
Texas	748,896	350,645	.47	4.7	1.5	1.1
Ohio	607,778	336,339	.55	4.3	1.6	0.9
New Jersey	592,863	294,924	.50	4.2	2.0	1.0
Massachusetts	522,900	407,742	.78	---	---	---
Florida	475,792	239,675	.50	4.3	2.1	1.1
Georgia	410,020	214,505	.52	4.5	2.5	0.7
Wisconsin	371,534	225,950	.61	5.5	2.1	0.5
Louisiana	366,976	189,556	.52	4.3	2.2	0.8
Tennessee	305,802	167,532	.55	4.1	2.2	0.6
Puerto Rico	*	157,483		1.3	0.0	0.0
Maryland	303,125	129,135	.43	*	*	*
Missouri	295,787	110,240	.37	4.5	1.9	0.6
Mississippi	293,561	147,153	.50	3.1	1.7	0.5
Washington	286,866	106,199	.37	4.4	1.7	0.9
North Carolina	278,388	201,978	.73	3.6	1.6	0.6
Alabama	272,531	133,653	.49	4.2	1.7	0.6
Virginia	270,985	149,174	.55	4.3	2.0	1.0
South Carolina	265,451	128,318	.48	2.0	1.3	0.3
Minnesota	207,816	140,686	.68	5.8	2.2	1.1
Arkansas	168,029	103,468	.62	3.4	1.6	0.4
Indiana	*	100,567		*	*	*
Oklahoma	164,312	65,964	.40	2.7	1.0	0.5
Connecticut	160,233	99,176	.62	*	*	*
Iowa	145,464	83,477	.57	2.9	1.2	0.6
West Virginia	*	76,733		*	*	*
District of Columbia	142,293	39,780	.28	4.3	1.6	1.2
Oregon	118,079	94,461	.80	*	*	*
Colorado	124,735	66,292	.53	3.4	1.9	0.2
Kansas	112,390	66,258	.59	4.9	2.4	1.0
Maine	104,943	56,720	.54	4.5	1.6	0.9
Rhode Island	87,551	51,797	.59	*	*	*
New Mexico	86,661	35,447	.41	4.2	1.4	1.1
Vermont	*	23,380		*	*	*
Hawaii	79,803	46,422	.58	6.9	2.2	2.3
Nebraska	63,643	36,380	.57	3.7	2.2	0.4
Utah	50,488	21,342	.42	4.4	1.8	0.6
Delaware	43,019	19,045	.44	3.0	1.3	0.9
New Hampshire	35,004	20,149	.58	3.6	1.2	0.8
South Dakota	30,939	13,982	.45	4.6	1.9	1.1
Idaho	29,390	16,512	.56	4.1	1.4	0.6
North Dakota	26,691	14,901	.56	4.9	2.1	0.9
Nevada	21,970	11,628	.53	5.3	1.6	1.1
Virgin Islands	11,086	3,483	.31	1.6	0.3	0.0 3/
Wyoming	9,810	1,458	.15	*	*	*

1/ New York, Michigan, Puerto Rico, Indiana, West Virginia and Vermont's recipient counts were not included in the calculation of the overall ratio.
2/ Note that data from some of the larger States, e.g., New York and Massachusetts, were not included in this figure.
3/ Less than 0.05.
--- Valid averages cannot be calculated as the Massachusetts Department of Public Welfare did not submit claims workload data for this quarter.
* Did not report data.

Source: Preliminary, unedited data from the HCFA-120

TECHNICAL NOTES

1. Forty-two Medicaid jurisdictions submitted claims workload and processing time data for the first quarter FY 1982. Only three of these did not submit data for all three months, i.e., Iowa (two months only), Missouri (two months only), and New Hampshire (one month only). In Table I, if a State submitted only one month's data during a quarter, that figure was multiplied by three to yield an estimated quarterly claims volume. If a State submitted two months data, the two figures were averaged and then multiplied by three to yield an estimated quarterly claims volume.

2. The technique selected to determine if a relationship exists between two variables, x and y, was to develop Pearson's product moment r (i.e., the coefficient of linear correlation).

$$r = \frac{n\,(\Sigma xy) - (\Sigma x)\,(\Sigma y)}{\sqrt{n\,(\Sigma x^2) - (\Sigma x)^2} \cdot \sqrt{n\,(\Sigma y^2) - (\Sigma y)^2}}$$

3. Throughout the report adjusted expenditure figures are those where both State and Federal adjustments have been taken into account. State reported adjustments are collections received (third party liability, probate, overpayments, other collections), other expenditures, increasing claims from prior quarters and decreasing claims from prior quarters. Federal adjustments are deferrals, deferrals paid, disallowances, disallowances paid, suspensions paid and other adjustments.

DEFINITIONS

Claim Definitions

A claim is defined as a line item with an associated charge to be adjudicated, except for inpatient hospital services for which a claim is defined as a single hospital billing issued for a portion of, or all of, the inpatient hospital stay. Where a single hospital billing is comprised of more than one document, the billing is counted as a single claim. The following are examples illustrating how this definition applies to different types of claims.

Hospital Outpatient Claims - In most States, hospital outpatient claims are processed much like inpatient claims. That is, claims are essentially paid on the basis of the total presented charge, and a year-end cost report and settlement process is used to reconcile the charges to cost. In such States, the individual's paper claim, which may consist of more than one document, is treated as a single claim. In other States, hospital outpatient claims are paid on a fee for service basis, and each line item on the outpatient bill has an associated charge which must be separately adjudicated. In such States each line item is counted as a single claim.

SNF Claims - In some States, ledger-type billing forms are used for SNFs in which several patient names may appear on a single billing instrument. In such cases each patient entry is to be counted as a single claim.

Hospital Inpatient Claims - A single hospital billing issued for a portion of, or all of, the inpatient hospital stay is considered a hospital inpatient claim. Where a single hospital billing is comprised of more than one document, the billing is counted as a single claim.

Adjudicated for payment claims are those processed and approved for payment by the State, fiscal agent, or health insurance plan during the report period. Includes only claims which result in payments or in offsets to a provider's balance due to the State.

Claims Processing Time

The number of days from the date of receipt of the claim in the claims processing center to the date on which the claim is fully adjudicated and approved for payment.

Medical Assistance Payments

Those payments made for medical care by the State directly or on behalf of the State by a fiscal agent. Such payments may be in the form of per capita premium payments made to HMO's, other prepaid health plans, Medicare Part B for "buy-in" under Title XVIII and medical vendor payments.

Administration and Training Expenditures

Those expenditures associated with the operation of the Medicaid program in a State which may include the functional costs of eligibility determination, policy formulation, claims processing, and training, as well as salaries and employee benefits, equipment, supplies, postage, travel and fiscal agent costs.

Total Unadjusted Expenditures Computable for Federal Funding

Expenditures made by a State Medicaid agency which are matchable by Federal funds under Title XIX.

Adjusted Federal Share

The Federal share of the total computable expenditures adjusted to reflect financial adjustments (both increasing and decreasing) from prior periods.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1983-381-858:181